comments will be taken into consideration while finalising the terms of reference of the Commission.

(c) The Constitution of the Commission is yet to take place.

(d) The Commission would be asked to submit its recommendations before the commencement of the financial year 2005-2006.

Hike in motor insurance rates

5013. SHRIC. **P.** THIRUNAVUKKARASU. Will the Minister of FINANCE be pleased to state:

(a) whether Government are against the hike in motor insurance rates;

(b) if so, the reasons therefor;

(c) whether Government have received the Ansari Committee Report on raising motor insurance premium;

(d) if so, the details thereof and Government's reaction thereto; and

(e) if not, by when the report is expected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The premium rates for general insurance including motor insurance are fixed by the Tariff Advisory Committee (TAC), a Statutory Body established under the Insurance Act, 1938, which functions under direct charge of Chairman, Insurance Regulatory and Development Authority (IRDA).

(c) to (e) In its Meeting held on 10th January, 2001, the TAC had constituted a Committee under the Chairmanship of Shri H. Ansari to review and rationalise the India Motor Tariff. As the Committee was constituted by the TAC and not by the Government, the Committee is not expected to submit its report to the Government. The Ansari Committee has since submitted its Report to the TAC.

Suggestion of F1CCI for economic growth

5014. SHRI RUMANDLARAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chambers of Commerce and Industry has urged Government that they should take steps to stimulate investment and demand to come out of the present economic slowdown;

(b) if so, whether the quality of Government expenditure should be such as to add to the assets and improve efficiency of the system for improving competitiveness of the system;

(c) whether Government have agreed to the suggestions; and

(d) if so, the steps being considered in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Yes, Sir. Federation of Indian Chambers of Commerce and Industry (FICCI) has suggested a number of measures for stimulating consumption and investment in the economy. The trends in the economy are closely monitored and under constant review and appropriate measures taken in the light of emerging situation as and when necessary. The views and suggestions from various organisations provide inputs in formulating policies keeping in view the Government's broad policy objectives and overall macro economic situation. The broad strategy of the Budget 2002-03 is to continue the emphasis on agriculture and food economy reforms; enhance public and private investment in infrastructure; strengthen the financial sector and capital markets; deepen structural reforms and regenerate industrial growth; provide social security to the poor; and consolidate tax reforms and continue fiscal adjustment at both the Central and State levels. To this end, the Budget 2002-03 contains a number of reform measures. The Budget for 2002-03 has also provided enhanced plan outlays for key infrastructure sectors and allocations for rural development. Besides, measures have been taken to stimulate domestic demand. These among others include further reduction in administered interest rates, scaling down of peak customs tariff and further simplification in the excise duty regime etc. Also progress has been made in the privatization and in the implementation of Expenditure Reforms Commissions recommendations. These measures and initiatives are expected to have a favourable impact on the quality of Government expenditure and foster efficiency and investment to strengthen competitiveness of the system.

Memorandum of FICCI for simplyfing customs procedures

5015. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether FICCI has submitted a memorandum to him for simplifying the customs procedures;

(b) if so, whether they have suggested that phasing out the peak customs duty to reach 20 per cent in three years should be done on priority for raw materials and not finished goods;

(c) whether the Ministry of Finance has agreed to consider the suggestions of the FICCI; and